

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6877**

**BILL NUMBER: SB 311**

**NOTE PREPARED: Jan 17, 2012**

**BILL AMENDED: Jan 17, 2012**

**SUBJECT:** Fiscal Impact Review for Environmental Rules.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Office of Management and Budget (OMB) to prepare for each environmental rule that is finally adopted after June 30, 2012, a cost benefit analysis with respect to the first three years following the date on which the rule was finally adopted. It provides that a cost benefit analysis must include certain information concerning the three year period covered by the analysis. It requires the OMB to submit a cost benefit analysis to the Governor and the Administrative Rules Oversight Committee not later than six months after the third anniversary of the rule's final adoption. It provides that the Governor or the Administrative Rules Oversight Committee may prescribe: (A) the form of a cost benefit analysis; and (B) the process, deadlines, and other requirements for submitting a cost benefit analysis. The bill also provides that a cost benefit analysis prepared before or after a rule's final adoption is a public document that must be provided to interested parties at least 30 days before presentation of the cost benefit analysis to the Governor and the Administrative Rules Oversight Committee.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** (Revised) *Fiscal Impact Statements:* The bill's requirements will likely increase administrative expenses for the OMB, but any impact will depend upon the number of fiscal impact statements that will need to be prepared due to the bill's provisions. It is estimated that the bill's requirements can be accomplished within existing resources.

Executive Order 2-89 and Financial Management Circular (FMC) 2010-4 require state agencies to complete fiscal analyses of proposed rules' impact on state and local government. The OMB does not conduct their own fiscal analysis unless an agency's analysis is incomplete.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Management and Budget.

**Local Agencies Affected:**

**Information Sources:** Ann Kaiser, Office of Management and Budget, 317-234-2079.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.